

Message Text

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C O N F I D E N T I A L SECTION 1 OF 3 USNATO 1182

E.O. 11652: GDS
TAGS: MPLL, NATO, DA
SUBJECT: NEW DANISH DEFENSE AGREEMENT

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THERE FOLLOWS BELOW THE TEXT OF AMBASSADOR SVART'S SPEAK-
ING NOTES ON THE NEW DANISH DEFENSE AGREEMENT. WE WILL REPORT
COUNCIL DISCUSSION SEPTEL. BEGIN TEXT:

NEW DANISH LONG-TERM DEFENCE AGREEMENT

IN THE BEGINNING OF JANUARY I MENTIONED THAT THERE MIGHT
BE A POSSIBILITY OF REACHING A NEW 4 YEAR DEFENCE AGREEMENT
SOON. HOWEVER, NEGOTIATIONS AT THAT TIME WERE POSTPONED DUE
TO A GENERAL ELECTION BEING CALLED SHORTLY AFTERWARDS AND
HELD ON FEB 15. DISCUSSIONS WERE RESUMED IMMEDIATELY
AFTER THE ELECTION, AND IN SUCH A CONSTRUCTIVE
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AND POSITIVE ATMOSPHERE THAT I AM NOW IN A POSITION TO
INFORM YOU THAT POLITICAL PARTIES REPRESENTING A SOLID
MAJORITY IN THE FOLKETING HAVE REACHED AGREEMENT UPON A
DRAFT OF A NEW DEFENCE AGREEMENT TO RUN FOR FOUR YEARS
AS FROM 1ST OF APRIL, 1977, AT WHICH DATE THE PRESENT
AGREEMENT EXPIRES.

THE DAY BEFORE YESTERDAY, THE GOVERNMENT SUBMITTED THIS
DRAFT TO THE FOLKETING SO AS TO OBTAIN A FORMAL RESOLUTION
ON THE CONTINUATION OF THE PRESENT DEFENCE STRUCTURE. THIS

WILL PROVIDE A CERTAIN AMOUNT OF TIME FOR NATO TO CONSIDER THE DETAILS OF THE AGREEMENT.

TO THE EXTENT POSSIBLE, THE ALLIANCE HAS BEEN KEPT INFORMED OF THE COURSE OF THE POLITICAL DISCUSSIONS AIMED AT REACHING A NEW DEFENCE AGREEMENT, AND, AS MY DEFENCE MINISTER HAS REPEATEDLY STATED, IT HAS BEEN OUR WISH TO INFORM THE ALLIANCE AS SOON AS THE PARTIES CONCERNED HAD COME TO AN AGREEMENT. ALTHOUGH THERE WOULD NOT SEEM TO BE ANY GROUNDS FOR CONSULTATIONS AS FORESEEN IN C-M(55)-82, MY GOVERNMENT CONSIDERS IT ESSENTIAL THAT THE ALLIANCE BE NOW GIVEN THE POSSIBILITY OF COMMENTING ON THE DRAFT AGREEMENT BEFORE THE DEFENCE COMMITTEE OF THE FOLKETING MAKES ITS FINAL REPORT.

MY GOVERNMENT SUPPORTS CURRENT EFFORTS, INCLUDING THE INITIATIVES TAKEN BY NATO, TOWARDS THE DEEPENING OF DETENTE BETWEEN EAST AND WEST. WE REALIZE, HOWEVER, THAT ALTHOUGH SOME RESULTS HAVE BEEN ACHIEVED IN THE POLITICAL FIELD, SO FAR NO CORRESPONDING PROGRESS HAS BEEN REGISTERED IN MILITARY TERMS. MY GOVERNMENT SHARES THE HOPE THAT THE CURRENT NEGOTIATIONS IN VIENNA ON MUTUAL AND BALANCED FORCE REDUCTIONS WILL EVENTUALLY LEAD TO RESULTS.

AT THE SAME TIME, WE CANNOT IGNORE THE TRENDS APPEARING OVER THE LAST FEW YEARS IN THE FORCE BALANCE BETWEEN
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EAST AND WEST. THESE TRENDS WERE THE OBJECT OF ATTENTION AT THE DPC MINISTERIAL MEETING IN DECEMBER.

IT IS AGAINST THE BACKGRUND OF THE OVERALL SECURITY SITUATION, AS IT APPEARS TO US, THAT MY GOVERNMENT'S WISH HAS BEEN FOR THE PRESENT DEFENCE AGREEMENT TO BE FOLLOWED BY A NEW LONG-TERM AGREEMENT CAPABLE OF SECURING A STEADY DEVELOPMENT AND MAXIMUM STABILITY FOR DANISH DEFENCE, AS HAS BEEN THE CASE DURING THE PREVIOUS 4 YEARS.

THE AGREEMENT OF MARCH 14, 1973, HAS ALLOWED A SMOOTH BUILD-UP OF THE FORCE STRUCTURE AS DEFINED IN THE NATIONAL DEFENCE ACT AND HAS MADE POSSIBLE STEADY AND GRADUAL FULFILMENT OF THE FORCE GOALS LAID DOWN IN THE ACT. THE DPC WILL KNOW THAT THE LAST 3 OR 4 YEARS HAVE SEEN A CONTINUOUS IMPROVEMENT WITH RESPECT TO READINESS, MOBILIZATION AND PREPARATION FOR THE RECEPTION OF REINFORCEMENTS. IN PARTICULAR, THE 1973 AGREEMENT HAS PROVIDED THE BASIS FOR SUBSTANTIAL PROCUREMENT-OF MATERIEL AND EQUIPMENT.

IN ADDITION TO A STABLE BUDGETARY LONG-TERM FRAMEWORK FOR OUR DEFENCE, THE EXISTING PROVISION FOR FULL COMPENSATION FOR WAGE AND PRICE INCREASES HAS BEEN A PARTICULARLY VALUABLE COMPONENT OF THE AGREEMENT.

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IN SPITE OF OUR DIFFICULT ECONOMIC SITUATION IN
RECENT YEARS, WHICH HAS NECESSITATED OVERALL REDUCTIONS
IN MOST OTHER SECTORS OF THE STATE BUDGET OVER THE LAST TWO
FINANCIAL YEARS, CUTS IN DEFENCE EXPENDITURE WERE SUCCESFULLY
AVOIDED.

DURING THE DISCUSSIONS ON THE NEW AGREEMENT IT HAS BEEN
OF PRINCIPAL CONCERN TO MY GOVERNMENT THAT NO CHANGES
BE MADE IN THE CURRENT DEFENCE ACT, THUS ENSURING THAT
THE NATIONAL FORCE GOALS AND THE FORCE STRUCTURE LAID
DOWN IN THE ACT BE MAINTAINED. SIMILARLY, THAT THE
CONSCRIPT PERIOD SHOULD REMAIN UNCHANGED AND THE SUR-
VEILLANCE ACTIVITIES AND THE READINESS OF THE ARMED
FORCES BE MAINTAINED AT LEAST ON THE CURRENT LEVEL.
FINALLY, THAT THE CONSIDERABLE PROPORTION OF THE DEFENCE
BUDGET NOW DEVOTED TO PROGRAMMES OF MODERNIZATION OF
EQUIPMENT AND MATERIEL SHOULD BE UPHELD AS AN ESSENTIAL
FEATURE.

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THROUGHOUT THE POLITICAL DISCUSSIONS, IT WAS ENVISAGED
THAT DANISH FORCES MUST BE CAPABLE OF INTEGRATION INTO
THE COMMON ALLIED DEFENCE, AND, AS BEFORE, GREAT EMPHASIS IS
BEING PLACED ON THE NECESSARY PLANNING AND ANY POSSIBLE PEACE-
TIME PREPARATIONS FOR THE RECEPTION OF ALLIED REINFORCEMENTS
ON DANISH TERRITORY IN SUPPORT OF THE DEFENCE OF OUR REGION.
AS WAS TO BE EXPECTED, THE BUDGETARY FRAMEWORK FOR THE
GOING PERIOD BECAME A MAIN FOCUS OF THE POLITICAL

DISCUSSION; FIRST BECAUSE OF THE GENERAL REDUCTIONS UNDERTAKEN FOR THE FINANCIAL YEARS 75/76 AND 76/77 - I HAVE ALREADY REFERRED TO THESE - AND SECOND, BECAUSE SIMILAR LINEAR REDUCTIONS OF ALL PARTS OF THE STATE BUDGET, INCLUDING IN PRINCIPLE THE DEFENCE BUDGET, WERE ORIGINALLY ENVISAGED FOR THE FIRST 3 FINANCIAL YEARS COVERED BY THE NEW AGREEMENT, I.E. 77/78, 78/79 AND 79/80.

HOWEVER, DESPITE A CONTINUING EXTREMELY SERIOUS ECONOMIC SITUATION THE POLITICAL PARTIES BEHIND THE DEFENCE AGREEMENT HAVE TAKEN INTO ACCOUNT THE REALITIES OF THE OVERALL SECURITY SITUATION AND HAVE THEREFORE FELT IMPELLED TO EXEMPT THE DEFENCE SECTOR FROM THE OTHERWISE DESIRABLE FINANCIAL TIGHTENING.

AGREEMENT HAS NOW BEEN ACHIEVED ON A NEW 4 YEAR FRAME, THE MAIN FEATURES BEING AS FOLLOWS:

A. FIRM ECONOMIC FRAME WORK COVERING DEFENCE EXPENDITURE WILL BE ESTABLISHED, IMPRISING:

A) AN ANNUAL BUDGET OVER THE 4 YEARS EQUALLING ACTUAL DEFENCE EXPENDITURE FOR 1976/77; IN APRIL, 1976 PRICES THIS AMOUNTS TO MILL. KR. 5826 ACCORDING TO NATO DEFINITIONS.

B) A SPECIAL ADDITIONAL APPROPRIATION TO STRENGTHEN THE HOME GUARD OF THE ORDER OF 32 MILL KR OVER THE 4 YEARS.

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C) ADDITIONAL APPROPRIATIONS TO COVER STEP-WISE IMPLEMENTATION OF AN EARLIER DECISION TO INCREASE CONSCRIPT PAY.

D) IT IS UNDERSTOOD THAT ANY REQUIRED EXTENSION OF THE TASKS OF THE SERVICES RESULTING FROM INCREASED TERRITORIAL/FISHERIES INSPECTION, PEACE-KEEPING OPERATIONS UNDER THE UNITED NATIONS, OR ANTI POLLUTION AND SIMILAR ACTIVITIES WILL BE COVERED BY ADDITIONAL APPROPRIATIONS AS NECESSARY.

E) AS HITHERTO, THE DEFENCE BUDGET WILL RECEIVE FULL AND AUTOMATIC COMPENSATION FOR INCREASES IN WAGES AND PRICES.

WITHIN THIS ECONOMIC FRAMEWORK, AND ON THE BASIS OF NATO CRITERIA, DANISH DEFENCE EXPENDITURE AT PRICE LEVEL APRIL 1976 WILL INCREASE FROM 5826 MILL KR IN 1976/77 TO 6176 MILL KR IN 1980/81. THE DEFENCE BUDGET WILL THUS RISE BY ABOUT 6 PER CENT IN REAL TERMS IN THE COURSE OF THE 4 YEAR PERIOD OR BY 1,5 PER CENT

PER YEAR ON AN AVERAGE.

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THE AGREEMENT ENSURES THAT THE DEFENCE STRUCTURE AND
THE FORCE GOALS LAID DOWN IN THE NATIONAL DEFENCE ACT
WILL BE UPHELD. MOREOVER, THE AGREEMENT PROVIDES FOR
VARIOUS IMPROVEMENTS AND EXTENSIONS OF ACTIVITIES.

AS MENTIONED BEFORE, THESE INCLUDE A STRENGTHENING OF
THE HOME GUARD. OVER THE LAST YEARS, THE HOME GUARD
HAS SEEN A CONSIDERABLE GROWTH IN MEMBERSHIP, AND THERE
ARE NOW ABOUT 72.000 MEN AND WOMEN IN THIS COMPLETELY
VOLUNTARY FORCE, READY FOR ACTION AT A FEW HOURS NOTICE.
LIKEWISE, CONSIDERABLE IMPROVEMENTS WILL BE CARRIED OUT
IN THE FIELD OF TERRITORIAL/FISHERIES INSPECTION, BOTH
WITH REGARD TO EQUIPMENT AND PERSONNEL, PARTICULARLY OFF
GREENLAND AND THE FAROE ISLANDS. THIS WILL CONSTITUTE
A STRENGTHENING OF THE UNITS ASSIGNED TO SAACLANT.
MOREOVER, THE PROGRAMME OF MAJOR EQUIPMENT PROCUREMENT
WILL, ACCORDING TO THE DRAFT AGREEMENT, BE MAINTAINED
AT THE PRESENT HIGH LEVEL IN THE NEW 4 YEAR PERIOD.

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IT SHOULD BE EMPHASIZED THAT THE POLITICAL PARTIES
PARTICIPATING IN THE AGREEMENT HAVE AS A COMMON
UNDERSTANDING THAT THE EFFICIENCY OF THE MOBILIZATION
FORCE IS TO BE IMPROVED IN VARIOUS WAYS, SUCH AS
INCREASED EXERCISE ACTIVITIES AND INTENSIFICATION OF
SUPPLEMENTARY TRAINING OF RESERVE OFFICERS. AT THE
SAME TIME, THERE WILL BE AN INTENSIFIED BUILD-UP OF

WAR RESERVE STOCKS. THESE ARE HIGH PRIORITY MEASURES CALLED FOR IN THE NATO FORCE GOALS FOR DENMARK.

AS WAS THE CASE UNDER THE PRESENT AGREEMENT, REPRESENTATIVES OF THE POLITICAL PARTIES BEHIND THE NEW DEFENCE AGREEMENT WILL SET UP A SUPERVISORY GROUP IT IS UNDERSTOOD THAT THIS GROUP WILL BE EMPOWERED TO CONSIDER WHATEVER ADJUSTMENTS MIGHT BE INDICATED IN THE LIGHT OF SUCH FACTORS AS SECURITY AND ECONOMIC DEVELOPMENTS. THIS WOULD PROVIDE A REASONABLE MEASURE OF FLEXIBILITY.

PROLONGED AND RATHER DIFFICULT POLITICAL NEGOTIATIONS UNDER THE IMPACT OF VERY CONSIDERABLE ECONOMIC PROBLEMS HAVE, IN THE VIEW OF MY GOVERNMENT, RESULTED IN AN ACCEPTABLE DRAFT AGREEMENT. IT IS EXPECTED TO RECEIVE WIDE POLITICAL SUPPORT, A FACT WHICH IN ITSELF IS OF THE GREATEST VALUE.

ALTHOUGH THE AGREEMENT DOES NOT MEET ALL THE WISHES EXPRESSED, NATIONALLY OR BY NATO, MY GOVERNMENT FINDS THAT IMPLEMENTATION OF THE AGREEMENT WILL ENTAIL OBVIOUS ADVANTAGES FOR OUR DEFENCE EFFORT AND, WE TRUST, FOR THE ALLIANCE. OF PARTICULAR SIGNIFICANCE WILL BE THE FACT THAT DEFENCE QUESTIONS WILL BE TAKEN OUT OF DAY-TO-DAY POLITICS AND THAT MAXIMUM STABILITY WILL BE SECURED FOR DEFENCE PLANNING OVER THE 4 YEAR PERIOD. MR CHAIRMAN, AS I MENTIONED AT THE BEGINNING OF MY INTERVENTION, THIS DRAFT AGREEMENT, BEHIND WHICH STAND PARTIES REPRESENTING A SOLID PARLIAMENTARY MAJORITY, HAS BEEN PRESENTED TO THE CONFIDENTIAL

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FOLKETING AND TO ITS DEFENCE COMMITTEE FOR FINAL APPROVAL. IT WOULD, THEREFORE, BE MUCH APPRECIATED IF WE COULD BE INFORMED AS SOON AS POSSIBLE OF THE COMMENTS WHICH OUR ALLIES AND THE NATO MILITARY AUTHORITIES MIGHT WISH TO MAKE, HOPEFULLY IN SUCH A MANNER THAT THE BUDGETARY DEADLINE OF MARCH 18 CAN BE MET. I TRUST THAT THERE WILL BE NO DIFFICULTIES IN MEETING THIS TIME REQUIREMENT, ALTHOUGH I AM, OF COURSE, AWARE OF THE BURDEN THIS WILL IMPOSE ON THE DPC, THE MILITARY COMMITTEE, AND THE MAJOR NATO COMMANDERS. PLEASE ACCEPT MY APOLOGIES AND MY THANKS IN ADVANCE.

FINALLY, IT IS THE INTENTION OF OUR CHIEF OF DEFENCE TO BRIEF THE MILITARY COMMITTEE AS SOON AS THAT BODY MAY FIND IT CONVENIENT, AND I UNDERSTAND THAT THIS WILL BE DONE NEXT TUESDAY.

SHOULD ANYONE, AT THIS STAGE, HAVE ANY QUESTIONS, WE SHALL, OF COURSE, DO OUR BEST TO ANSWER THESE EITHER NOW OR LATER. END TEXT.STRAUSZ-HUPE

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